1	2	3	4	5
South				
Andhra Pradesh	5.2	0.5	42.8	32.5
Karnataka	4.8	0.1	44.7	27.9
Kerala	1.8	0.1	43.5	35.8
Tamil Nadu	2.8	0.0	40.1	31.2

Committee report on corruption

1623. SHRI GIREESH KUMAR SANGHI: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether his Ministry has ordered an enquiry into functioning of five projects funded by the World Bank following charges of corrpution and system; deficiencies;

(b) whether the probe committee has submitted its report in February, 2008;

(c) if so, what are the findings of the enquiry committee and the steps being taken to remove those who were held responsible; and

(d) by when these projects are likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRIMATI PANABAKA LAKSHMI): (a) to (d) On the 11th January, 2008, the World Bank has shared with us a report, *viz.*, DIR. This report is based on the review of five health sector projects which were being implemented during periods varying from 1997 till 2006 end. One project was under State health sector. All projects except for one relating to Food and Drug Capacity Building have ended. The last project is likely to be completed by June, 2008. For AIDS and TB successor projects are under implementation.

In this report, the World Bank has mentioned deficiency relating to procurement, oversight and implementation like collusion, bid rigging, deficiency in civil works, equipments not installed because of lack of staff etc. Majority of the deficiencies reported relate to decentralized procurements at the district level, which are implemented at the State level.

The World Bank report suffers from several infirmities. Ministry of Health and Family Welfare has already conveyed its response on the infirmities in the methodology adopted by World Bank emphasizing that they did not discuss with any of the programme officers either during the review or before finalizaing the review report. These discussions would have clarified most of the issues mentioned in the report. Had this been done, most of the inferences would have been different.

Government of India is committed to elimination of any deficiencies or irrgularities which are detected. Structural deficiencies which were noted in the earlier programmes have been taken care of in the successor programmes. It has been aware of many such irregularities and has taken action, if required in the past. Several criminal, penal and disciplinary actions have been taken such as:

(i) Suspended business with two firms *viz.* M/s Nestor Pharmaceuticals and M/s Pure Pharma in July, 2005 on charges of reported collusion.

(ii) A case was registered by CBI on 21.8.2006 against M/s Pure Pharma and M/s Nestor Pharmaceuticals and the case is at an advanced stage of investigation.

(iii) Two officers (Shri M.P. Gupta of Hospital Services Consultancy Corporation and Shri Vasant Bhat of Hindustan Latex Limited) from the Procurement Support Agencies, who were allegedly involved in procurement irregularities, were suspended in 2006 and continue to be under suspension. Departmental proceedings against them are also at an advanced stage.

The World Bank report has not taken note of all these actions.

The World Bank report also did not take note of the structural changes which have been initiated post 2005. A very important structural change which has been initiated by Government of India is the launch of National Rural Health Mission (NRHM) in April, 2005. NRHM has initiated the following architectural corrections in the public health delivery system:

* NRHM has in-built institutional and financial monitoring mechanism, *e.g.*, Programme Management Units (PMUs) at State/District/Sub-district levels consisting of management, financial and IT experts.
* Community ownership, accountability and oversight through Village Health and Sanitation Committees at the village level and Rogi Kalyan Samitis (Patients Welfare Societies) at Sub-district and District Hospital levels consisting of representatives of Panchayati Raj Institutions, civil society and Government health functionaries.
* The Mission emphasises on *'service guarantees'* and not merely on the creation of buildings and purchase of equipments.
* Capacity Building of States for decentralised procurement.
* Electronic transfer of funds from Government of India to States and States to districts and E-Banking for real time financial reporting and monitoring.

In addition, in Centralized procurement, following corrective actions have been taken:

(i) Shifted the procurement responsibility from Procurement Support Agencies to the United Nation Office for Project Services for Bank supported operations.

(ii) Set up an Empowered Procurement Wing (EPW) to provide oversight to the procurement handled by Procurement Agents (PA). Developed procurement policies and standards for the health sector; and working on state procurement capacity building.

(iii) Introduced measures to improve the competition, transparency and quality through the Governance and Accountability Action Plan (GAAP) agreed for all health projects by the Bank in 2006.

(iv) Prepared a compendium of technical specifications for medical equipment (more than 800) which is uploaded on the Health Ministry's website.

(v) Created the Financial Management Group (FMG) at the Health Ministry, supported finance staff at State and District levels, developed detailed project specific financial management manuals.

(vi) Developed detailed guidelines and operational manuals for procurement of NGOs and Public Private Partnership (PPPs) under HIV/AIDS control programme.

(vii) Developed detailed procurement and financial manuals and trained state personnel.

(viii) Introduced evaluation of NGO performance by Committee having one external evaluator under HIV/AIDS control programme; and terminated contracts of about 25% NGOs which were non-complaint with the guidelines.

(ix) Pre-award validation/certification of WHO GMP made mandatory in all cases.

Further, after receipt of the report, following actions have been taken:

i) To address the systemic deficiencies pointed out in the World Bank report relating to procurement, implementation and oversight a Joint Action Plan has been finalised after intensive discussions with the World Bank keeping in mind specific interventions and timelines.

ii) Three new cases pertaining to Chhattisgarh and Karnataka referred to CBI for further investigation. One of these was identified through an analysis of the audit report. In a similar case the Government of Orissa has filed a crimijnal case and initiated departmental proceedings.

iii) Government of Orissa has now ordered a full-fledged vigilance inquiry to look into all deficiencies pointed in the World Bank report regarding the State Health System project.

Neo-natal deaths

1624. SHRI JANARDHANA POOJARY:
DR. M.A.M. RAMASWAMY:

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether it is a fact that as per a UNICEF report, India has the highest number of neo-natal deaths in the world;

(b) if so, the facts of the matter;

(c) the reasons for such high number of infant deaths in the country;

(d) the States which have the highest infant mortality rate in the country; and

(e) the action taken or proposed to be taken by Government to bring down infant mortality rate in the country?

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRIMATI PANABAKA LAKSHMI): (a) and (b) As per the UNICEF report "State of the World's Children 2008". "The largest absolute number of newborn deaths occurs in South Asia-India contributes a quarter of the World's total — but the highest national rates of neonatal mortality occur in sub Saharan Africa."

(c) Although the infant mortality rate in the country has declined from 80 per thousand live births in 1990 to 57 per thousand live births in 2006 (as per the Sample Registration System, SRS, data from the office of the Registrar General of India), 27 million infants are born every year in the country. The mortality rates applied to these figures translate into large numbers of infant deaths.

(d) State which have the highest infant mortality rates in the country as the latest available SRS data of 2006 are Madhya Pradesh (74), Orissa (73), Uttar Pradesh (71), Rajasthan (67) and Assam (67) per 1000 live births.

(e) Action is being taken by the Union Government to bring down the infant mortality rate in the country. A major initiative is implementation of the Integrated Management of Neonatal and Childhood IIIness (IMNCI) stractegy, which adopts a holistic approach to the management of the commonest causes of neonatal childhood mortality — sepsis, acute respiratory infections, diarrohoea, measles and malaria, all compounded by malnutrition. IMNCI shall be implemented throughout the country in a phased manner.